

IC 77-2421  
3 February 1977

STATINTL

MEMORANDUM FOR: [redacted]  
Director of Performance Evaluation  
and Improvement

STATINTL

FROM: [redacted]  
Production Assessment and Improvement  
Division

STATINTL

SUBJECT: [redacted]

STATINTL

STATINTL

1. Attached is the report submitted yesterday by [redacted]  
[redacted] under their contract to support our examination of  
DIA. The report is useful, if flawed. The report:

- supports our premise that there is a need for improved definition of the DIA mission;
- lends additional external validity to our efforts;
- increases our confidence that we are on the right track in our suggestions;
- correctly, in many cases, identifies key issues.

It is flawed to the extent that it:

- is a reflection of some points of personal bias of the consultant team;
- reflects the views of DIA held by a small, perhaps not representative, sample of capital DIA users-- although they are certainly prominent/recognized users;
- denies opportunity to assess validity of views and their source because of the contractor's adamant refusal to synopsize each interview; and
- identifies more problems than it addresses--maybe that's what consultants are for.

2. I am persuaded that there is little, if anything, more that the consultants can do to support the part of our effort that addresses the DIA problem. I intend, however, to ask them to review and comment on our first draft. I have been assured that they haven't spent all of the \$25K that was in the contract. I will get today a more accurate accounting of expenditures and will decide whether we regain the unspent balance or ask them to do something else for us.

3. If they should do something more, it should be oriented toward our potential future efforts. It might be useful to us for them to suggest criteria and methods for "empirical" mission analyses, to review the data we have collected in our DIA effort and recommend improvements or other types of data that would be required for such efforts in the future.

4. If you wish to discuss the attached report further, I am at your service.

Signed

STATINTL

Attachment:

Report

Distribution:

Original - Addressee (w/att.)

1 - IC Registry (w/att.)

1 - PAID Subject (w/att.)

1 - PAID Chrono (w/o att.) D

DCI/IC/PAID/[redacted]/fn x4445 (2/3/77)

BACKGROUND

STATINTL

STATINTL

In December, 1976, the IC staff asked a team consisting of [REDACTED] [REDACTED] to provide assistance in their assessment of a Manpower Utilization Study prepared by the Defense Intelligence Agency in the light of Congressional concern with the size of DIA.

In the weeks since then, the team has:

- interviewed a number of senior civilian and military officials, past and present, with diverse experience and relationships with Defense intelligence (Appendix B);
- scanned the Manpower Utilization Study of DIA and the results of IC staff requests for supplementary information;
- reviewed some past studies of DIA's mission and performance and related documentation in the IC staff files.

After several discussions with the IC staff, the IC staff concluded that the team would not review the record of Congressional concerns or interview pertinent Congressional staff, interview members of the DIA other than those in the Office of the Director, or attempt to assess the extent to which DIA activities duplicate those of the Service intelligence units. These limits are important and must be kept clearly in mind in judging the views expressed herein. This summary statement of what we found provides part of the basis for further consideration of DIA manpower requirements.

CONCLUSIONS

1. The Manpower Utilization Study provides a "snapshot" of how hard and efficiently DIA personnel work at the jobs to which they are assigned. The study does not question whether the jobs are necessary under the officially interpreted mission of the Agency, or whether that interpretation validly reflects national security needs. This fault is not due entirely to weaknesses in the skills or motivation of those who planned the study. For whatever reasons, the failure to address the primary questions of the relationships of jobs to Defense intelligence missions and of missions to national security decision-making needs makes the study fundamentally uninformative about the manpower DIA should have. In the absence of consensus on the DIA mission and its value, the study fails to support current manpower allocations or any other specific allocation of personnel to DIA.
  
2. Answers to questions about how many people an agency requires depend on clarity about the mission of the Agency and the value of that mission. To see if there was clarity on the first score, we turned to two major formal statements of DIA missions and associated functions. As the quotes below make clear, the basic charter statements for DIA do not provide a clear basis for judging the adequacy of resources allocated to DIA or understanding the extent of its responsibilities.

DOD 5105.21 of December 16, 1976, states, for example:

"IV. MISSION

The mission of the DIA is to satisfy, or to ensure the satisfaction of, the foreign intelligence requirements of the Secretary of Defense, the Joint Chiefs of Staff, DoD components and other authorized recipients, and to provide the military intelligence contribution to national intelligence."

. . . .

"VI. RESPONSIBILITIES AND FUNCTIONS

The Director, DIA shall be the senior substantive intelligence advisor to the Secretary of Defense. Under his direction and control, DIA shall:

- A. Produce or ensure, through tasking and coordination, the production of foreign intelligence required to fulfill the DIA mission; this function specifically includes the maintenance of a strong DoD Scientific and Technical intelligence program. For the purposes of this paragraph production includes the evaluation, correlation, analysis, interpretation and presentation of foreign intelligence.
- B. As separate and distinct responsibilities, (1) provide intelligence and intelligence staff support to the Joint Chiefs of Staff in accordance with their requirements and established procedures; and (2) ensure that adequate, timely and reliable intelligence is available to the Unified and Specified Commands."

. . . etc. . .

DIAM 49-1 of May 1, 1975, states:

"MISSION

To satisfy the intelligence requirements of the Secretary of Defense, the JCS, and major components of the United States Intelligence Board (USIB) either:

By use of internal resources;

Through the management, control, and coordination of the intelligence functions of other DoD agencies;  
or

Through cooperation with other intelligence organizations.

To execute all approved plans, programs, policies, and procedures for those Department of Defense (DoD) general intelligence functions and activities for which DIA has management responsibility.

To review and coordinate intelligence functions of the Military Departments and supervise plans, programs, and policies for functions not assigned to the DIA."

Mission statements which define the role of DIA merely in terms of satisfying the unspecified needs of a variety of users having quite different responsibilities and interests are, in our opinion, the most glaring example

of the problem facing the IC staff in attempting to evaluate resource needs and responsible officials in the Department of Defense concerned with the appropriateness and efficiency of Defense intelligence institutions and programs.

3. The need to define a proper role for DIA in the context of the Department of Defense and the national intelligence community seems obvious given two facts. The current activities of DIA are not the product of a rational design, but rather of numerous, piecemeal compromises between civilian and military bureaucracies since the establishment of the Agency in 1961. The result, validly or not, has led to widely-held and firmly believed perceptions that DIA is deficient in numerous ways. Whatever their soundness, the prevalence of the perceptions noted below poses a major challenge to Defense and IC staff officials with intelligence management responsibilities.

#### Off-Repeated Perceptions of DIA

(Our purpose in listing the following items is not to indicate our agreement or disagreement with the accuracy of the statements, but merely to reflect widely held views. Their truth or falsity is less important than the fact that the Agency is viewed in such a light by nearly all individuals we interviewed as well as those commissions and panels which have reviewed the Defense intelligence effort in recent years.)

- Individual staff members of DIA are often good resources for intelligence users.
- DIA has "improved" in recent years.
- The reference handbooks issued by DIA are useful.
- The Military Attache System is useful.
- Little original analytical effort as an institution or through formal process, and lack of focus on comparative analysis.
- Overestimates threat (as a means of supporting Services, JCS, or DoD budgets or procurements).

- "Poor performance for me -- perhaps because serving others well."
  - Fragmented direction, mission, tasks, focus, etc.
  - Duplication among Services and between Services and DIA of Estimative and Analytical efforts.
  - Too large.
  - Poor quality of both military and civilian personnel and an unattractive career choice.
  - Lack of clout because it doesn't have budgeting and resource allocation functions.
  - Inadequate quality control of Services' production and collection efforts.
  - More concerned with intra-community relations than user-community relations.
  - DIA lacks information and perspective on U.S. present and planned forces posture and weapons capabilities.
4. The interviews do reveal relative consensus on the set of intelligence needs -- for analyses and descriptions, management, and support functions -- pertinent to the Office of the Secretary of Defense (OSD), the Joint Chiefs of Staff (JCS), and the united and specified commands. Accordingly, there is an obvious starting point to begin the substantial task of determining appropriate organization and resource level for serving the needs of these national security participants.

A. Analysis and Production Demands

- For the effective conduct of military operations, demands for reams of factual details on enemy and allied military forces, military/industrial facilities, and particular geographic sites, and for a system of access to get the user what he needs when he needs it.

- For crisis Communications, Command, and Control, demands for prompt and selective readouts including indications and warning, attack assessment, and adversary intentions.
- For force planning, weapons systems procurement, long-range strategy formulation, and readiness/mobilization base development, demands for alternative possibilities for future national security environments, long-run goals of potential regimes of world order, and the economic and technological capabilities of those regimes.
- For effective and responsible participation in national policy formulation as required by law, e.g., on arms control treaties, Law of the Sea treaty alternatives, demands for a wealth of information ranging across politics, economics, military and scientific matters bearing on the consequences of possible U.S. actions.

B. Management Responsibilities

- Informed resource allocation and procurement decisions for collections systems and production organizations.
- Efficient tasking of production organizations to insure that demands noted above are met in a timely and efficient fashion and auditing and evaluation to provide quality control over products of the intelligence system.
- Responsive targeting and use of collection systems to help meet the demands above.



- Effective participation in the management of National Collection Systems and the formulation of the consolidated budget for the Intelligence Community.
- Oversight to insure restraint in intelligence collection and covert activities compatible with the rule of law and democratic tradition.

C. Support Functions

- Communications, security, information retrieval to carry out the management responsibilities and provide the products as outlined previously.

5. In our view, the searching examination of Defense intelligence which must precede evaluation of DIA manpower requirements can only be undertaken through the initiative of the DCI and Secretary of Defense. The IC staff can play a constructive role by lending its weight to the timeliness of such an initiative, providing appropriate information and assistance based on its experience and studies, and encouraging Department of Defense activities by the transmission of a provocative discussion paper on Department of Defense intelligence needs and resource appraisals. We sketch such a paper in Appendix A.

DOD INTELLIGENCE NEEDS AND THEIR MANAGEMENT IMPLICATIONS

CONTEXT

The Department of Defense is both collector and user of intelligence. Some of its collection responsibilities have evolved historically from the roles of the three services in seeking information necessary for fighting wars; others have been imposed by Congress and the White House, as in the case of national surveillance systems. However, the Secretary of Defense, OSD, and JCS as users of intelligence also rely on the CIA as well as DoD agencies.

There is a great deal of agreement about the sorts of intelligence information that different parts of the Department of Defense need under different situations of war and peace to carry out their responsibilities. There is very little agreement about the extent to which that information must be produced within the Department of Defense and, more specifically, about the extent to which it needs to be produced within the intelligence parts of the Department of Defense and, even more specifically, about the extent to which its production can or should be left to the military services or DIA. Moreover, there needs to be a better understanding of the difference between access to factual intelligence data and the control of in-house analytic staffs to provide intelligence and analyses appropriate to the decision-making responsibilities of the various components of DoD.

To a large extent, the size and performance of current DoD intelligence activities are the residue of piecemeal evolution and compromise among the military and civilian components of DoD, the CIA, the Congress, and past Presidents. In the words of Brer Rabbit, "She just grewed."

Until recently, this hodge-podge system probably served the needs of the community of Defense intelligence users acceptably, if not brilliantly or efficiently. However, the world, the nation, the government, and much of the DoD have changed more rapidly than the DoD intelligence system has been able to evolve.

Our national security policy-makers are not so exclusively concerned with the Soviet military threat, even within a strictly military or strictly Soviet context. The costs and foreign policy implications of competing proposals for strategic and tactical force structures have broadened enormously the scope of analysis needed to compare alternative forces structures and their command and control in the light of alternative policies and external reaction to those policies all around the world. Moreover, our national security concerns today range from changes in Chinese and African leadership, to economic pressures exerted by Mid-east shieks, to longer-range issues of proliferation, terrorism, technology transfer, and the intellectual and moral leadership of the world community. Arms limitation is today as much a responsibility of DoD as military strength. The analysis of context has become at least as important as the analysis of factual data generated by classical or modern intelligence collection systems. The distinction between "war" and "peace" has given way to an intractably large spectrum of "crisis" states of varying duration.

The Secretary of Defense, his OSD staff components, and the JCS must be better prepared to participate in governmental, national, and international debate on this broader view of national security. In our view, this requires a systematic review of the entire DoD structure for collection, analysis, and access to intelligence. Moreover, we do not think that past approaches of manpower studies, cost-effectiveness, or listing information needs will provide an adequate basis for the restructuring of Defense intelligence

We are strengthened in this view because of the opportunity of a new Administration to move toward a new conceptualization of Defense intelligence instead of committing the prestige and energy of the Secretary to the defense of existing arrangements.

A solidly-based analysis of the Defense intelligence process is beyond the scope of our current effort. We do believe, however, that the experience of the last 16 years, together with improvements over that same time period, in policy and organizational analysis do yield some important questions and hypotheses which should be considered in a larger and longer-term look at Defense intelligence broadly.

The Secretary of Defense has a great opportunity over the next few months to try to rationalize the Department's structure for collection, analysis, and access to intelligence information. The key issue is how best to produce the specific categories of information needed to serve the needs of OSD, JCS, and the united and specified commands. Thus, the emphasis should be as much on the planning of the structure of the system as on its day-to-day performance.

A number of questions and issues have emerged in the course of our examination of the current system and interviews with present and past participants in the system. They vary in importance; many need refinement or justification; some may be discarded after more examination; the lists are far from complete. But we believe they are central to the problems the Secretary and his intelligence advisers must address over the next year.

We recognize that any answers to these questions must rest on some general views concerning the proper role of the Department of Defense and U.S. national security and foreign policy; however, we believe that a number of

specific options can be developed which will permit the President, together with the Secretaries of Defense and State and other national policy leaders, to sharpen their insights into these issues and to choose among specific alternatives, rather than vague generalities.

POSSIBLE QUESTIONS

On the current situation.....

- What are the unique capabilities of various specific components of DoD in providing intelligence information or analysis directly to the President and members of the CFI and NSC, to the OSD, to the JCS, and to the U&S Commanders?
- To what extent are current intelligence data bases built and maintained by the DIA, the military services, or contractors?
- To what extent are different defense intelligence data bases redundant? To what extent could many data bases be replaced by more responsive access to other data bases?
- To what extent is first order analysis of voluminous raw intelligence, particularly reconnaissance data, called "analysis" in the interests of providing "a common data base" without the slightest idea of how the information will be used, or by whom?
- To what extent do estimates produced by different elements of DoD on the same subject rest on the same basic analyses?

On guidance and quality control.....

- Is it efficient to replace the cumbersome process for approving formal intelligence estimates with selective post-auditing of the usefulness of intermediate intelligence products?
- What would be required for OSD and JCS to exercise effective quality control over the intelligence products from other elements of DoD?
- To what extent can OSD and JCS use tasking and budgetary authority to substitute for "ownership" of intelligence analysts and intelligence data bases, in the short run and in the longer run?
- On what kinds of intelligence, either factual or analytic, should OSD and JCS officials be exposed to competitive views among the three Services as opposed to a common Defense Intelligence Agency "coordinated" product?
- To what extent is the relative advantage of DoD intelligence analysis in providing checks on the accuracy of CIA analysis vs. providing comparative analyses of Red and Blue weapons and force elements as opposed to the preparation of "independent" estimates based on the same data as available to the CIA?
- To what extent can and/or should intelligence production analysis be tailored to identify collection priorities and allocation of future resources for alternative collection systems?
- What rules should be applied in deciding who in the Defense Department has access to what factual intelligence data (this does not mean standard need-to-know criteria)?

On future organization.....

- To the extent that intelligence is supposed to build, maintain, and facilitate the use of large collections of relatively factual information, what organizational arrangement provides the strongest incentives to the Intelligence Community to circulate the information, and what incentives will exist for that agency to collect information that will be most useful in a marginal comparative analysis of U.S. vs. Adversary Forces in alternative scenarios?
- What are the advantages and disadvantages of major alternative Defense intelligence organizations, e.g.,
  - an enlarged DIA, which incorporates all Service intelligence activities and, perhaps, NSA?
  - a smaller DIA, which is primarily concerned with supporting Net Assessment and providing a "research librarian" function to help other elements of OSD and JCS get intelligence data they need for their independent use?
  - Eliminate DIA and assign analytic functions to ASDI and data base functions to the Services?
  - Status quo?
- If one believes that scientific and technological intelligence gains value when it is integrated with positive R&D actions on the part of the U.S., what organizational structure is most likely to produce joint work between the U.S. Defense R&D community and Intelligence S&T analysts?
- Is it desirable to re-establish a formal J-2 staff within the Joint Staff and/or to combine that function with the J-3?

POSSIBLE ISSUES

1. The defense intelligence services have not attracted enough insightful, broad-gauged, or wise leaders, nor have they been seen by younger professionals as desirable career paths for achieving such status -- and it shows.
2. Unless and until the National Security Act of 1947 is substantially changed, there will be two fundamentally different kinds of intelligence users at the highest level of the Department, requiring two quite different kinds of analysis of intelligence data.
  - a. Those who have responsibilities for the conduct of war or limited military force deployments. This includes the Secretary of Defense, U&S Commanders, the JCS, and by extension the President.
  - b. Those who have responsibilities to advise the Secretary of Defense on planning future force posture, budgets, command, control, and communications system design, and intelligence collection system design. This includes the DPA&E, DTACCS, ASDI, ASD/ISA, DDRE, JCS, Service Chiefs and Secretaries, DepSecDef and SecDef.
3. Information for both categories of users is collected by CIA, NSA, Service intelligence agencies, DIA, and national surveillance resources. All users of intelligence maintain some in-house capability for analysis and cross-checking of the information they need. In essence, the entire national security community draws on the same sources.



4. For a variety of reasons, the CIA has more incentives and holds a relative advantage over DIA in providing objective assessments of all but the most narrowly technical military capabilities of other nations.
5. The Department of Defense has more natural incentives and more capability to analyze relative strengths and weaknesses of U.S. and foreign military forces under a variety of assumptions.
6. It may be that the most valuable function for intelligence analysis within DoD (for both categories of users) would be the "duel" and side-by-side comparison of alternative Red and Blue weapons and force elements.
7. If the Secretary of Defense wants alternative estimates, he should not have a filter like DIA between him and the military services. He has not felt the need for this with regard to international security affairs, manpower and reserve affairs, research, development, test and evaluation, installations and logistics, and therefore he could rely on a single Assistant Secretary for both Intelligence and C<sup>3</sup>, instead of dealing separately with ASDI, DTACCS, and DIA.
8. Those components of the JCS and OSD with tasking authority in intelligence should have control over the budgets of those intelligence units which they have the authority to task.
9. For planning purposes, particularly in view of current budgetary priorities in DoD intelligence collection, planning for intelligence and communications budgets and programs should be reviewed as a package within the OSD.

10. Just because 80% of the intelligence budget is presented to Congress under DoD, don't assume that the value of intelligence to the country is associated with DoD to a similar extent. Those DoD dollars going to National Collection Systems should be viewed as national intelligence resources, rather than DoD intelligence resources, and alternatives to present arrangements for management of those national collection resources should be considered. In particular, the Secretary of Defense and the President should consider declassification of the title and basic functions for which "National Collection Systems" is a euphemism.
11. With regard to DIA, the argument that you need a bureaucratic organization in order to get information from other bureaucratic organizations is a poor basis for resource expenditures. If OSD and JCS need a large DIA because otherwise they cannot secure information available in other parts of the Intelligence Community, then the implication is that direct corrective action should be taken.
12. Most users of DIA value the informal contacts they have built up over the years within DIA to serve as sophisticated research librarians guiding them to various types of information here and there in DoD. Very little of the formal DIA estimation of enemy force size, performance, or capability is considered very useful.
13. Therefore, the only key function of DIA that would be missed by most of the national security community is not the "analysis" but the "telephone switchboard" service DIA provides. With some modifications, this applies to the JCS and Secretary of Defense in their need for war-fighting and real-time crisis intelligence, especially if the JCS were to re-institute the J-2 staff function.

14. The rapid-fire demands for intelligence-related information in "crisis" situations and to bolster annual budget requests have resulted in excessive attention by the President and Secretary of Defense over the past decade to whatever outputs are available from current collection systems, to the exclusion of longer-range planning of intelligence collection system design and resource allocation based on high-quality analysis of what such users might find more useful in the future. As a result, the national policy authorities have grown very dependent upon and give excessive autonomy to intelligence collectors.
15. It is much easier to generate factual intelligence and non-situational interpretations thereof about things that you already know a lot about, and very hard to generate intelligence tasking for those things that you don't know very much about. Therefore, we tend to produce a lot of technical trivia which turns out to be not particularly useful, either to the CINCs or the JCS in time of crisis or war, or to the policy analysts in planning future force structure. Anticipatory intelligence suffers without special incentives and protected resources.

LIST OF INTERVIEWEES

John Beling

Robert Ellsworth

Eugene Fubini

Adm. Noel Gayler

RADM D.P. Harvey

VADM B.R. Inman

Glenn Kent

Gerald King

Thomas Latimer

Andrew Marshall

John B. Martin

James Poor

Eberhardt Rechtin

R. Silverstein

Lt.Gen. William Y. Smith

Leonard Sullivan

James Wade

John Walsh

Howard Yudkin